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C O N F I D E N T I A L SECTION 01 OF 02 RANGOON 001512

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TAGS: [PREL](#) [PGOV](#) [ETRD](#) [ECON](#) [BM](#)

SUBJECT: ANOTHER REGIME SHOWCASE: BURMA HOSTS REGIONAL
ECONOMIC SUMMIT

REF: A. BANGKOK 7434

[1](#)B. BANGKOK 7538

[1](#)C. RANGOON 1430

Classified By: COM Carmen Martinez for Reasons 1.5 (B,D)

[1](#)1. (C) Summary: Burma hosted a four-country economic summit in mid-November, producing few tangible results but delivering another public relations coup for a military regime in the hunt for international legitimacy. The Thai Embassy in Rangoon says that their delegation pressed the generals in private on democracy issues, but the summit itself was decidedly apolitical. End Summary.

The Economic Cooperation Strategy

[1](#)2. (SBU) On November 12, Burmese Prime Minister General Khin Nyunt hosted his counterparts from Thailand, Cambodia, and Laos for an inaugural summit of the "Economic Cooperation Strategy" (ECS). The summit, held in the ancient capital of Bagan, was preceded on November 10 by a senior officials meeting (SOM) and a foreign ministers meeting (FM) in Rangoon. As noted in ref A, the four prime ministers had originally agreed to the summit during an April gathering in Bangkok.

[1](#)3. (SBU) The GOB has not responded to requests from the diplomatic community for a post-summit brief, although the official press gave considerable coverage to the ceremonial aspects of the event. According to our local contacts, and the Thai Embassy in Rangoon, the summit produced a "Bagan Declaration" on mutual economic and trade issues and a ten-year ECS Plan of Action. The summit participants agreed to hold a Summit every two years, and SOM/FM meetings in intervening years. As the inaugural host, Burma will hold the Secretariat through 2005 (which includes hosting a SOM/FM in 2004).

And a Little Time For Politics

[1](#)4. (C) According to the Thai Embassy, the joint summit did not address Burma's domestic political situation (although the Bagan Declaration made a passing reference to generic ASEAN governance principles). However, PM Thaksin had a working breakfast with PM Khin Nyunt on November 11 and reportedly encouraged the SPDC to include all political parties and ethnic groups in the regime's road map for democracy. Thaksin also pressed for increased counternarcotics cooperation, expressing a desire to "solve the drug problem once and for all." The Thai Embassy observed that PM Thaksin's pitch for Burma to become an active partner in the ECS was an easy one, noting that the Burmese PM appeared "desperate" for the Thai economic cooperation offered under the strategy.

[1](#)5. (C) The Thai and Burmese Foreign Ministers also held a bilateral meeting in Rangoon to discuss economic matters and road linkages (the latter is a priority for the SPDC and the Thai have offered soft loans, but neither side has yet to designate a budget). During their working dinner, FM Win Aung claimed to his Thai counterpart that NLD leader Aung San Suu Kyi is not under arrest and that the GOB is fully committed to a democratic transition.

The Burmese Contribution

[1](#)6. (C) The SPDC left the substantive heavy hitting to the Thai and reserved their elbow grease for the logistics of putting on, by Burmese standards, a major international event. Over 200 officials were part of the four delegations, and several ministries--including Foreign Affairs, Defense, and Transportation--relocated their key departments to Bagan for the duration of the summit. We understand that, for the most part, the summit went off without a hitch. However, the co-owner of Burma's premier golf resort in Rangoon told us that an unfortunate incident involving a wayward golf cart sent the Lao Prime Minister's golf bag to the bottom of a water hazard, where several of his clubs were lost in the

muck.

COMMENT: Thai Initiative, SPDC Showcase

17. (C) As predicted (ref B), the SPDC did not measure the success of the Bagan summit by deliverables. Indeed, the only tangible outcome of the event was the apparent signing of six "memos" between Thailand and other participants on energy and industrial development, none of which are binding and none of which included all four of the ECS countries. Rather, the key objective for the regime was the Nov. 11 photo op of three neighboring prime ministers calling on SPDC Chairman Senior General Than Shwe, an opportunity that provided considerable mileage for the Burmese generals in their hot pursuit of international legitimization.

18. (C) Despite the seemingly transparent goals of the ECS, most observers in Rangoon, including the Thai Embassy, tell us that the strategy is a personal initiative of PM Thaksin designed to boost productivity in the "laggard" ASEAN countries and to broaden the resource base for the Thai economy. As one Thai diplomat put it, "Thailand cannot be well off if our neighbors are dragging," adding that Thailand accounts for 91 percent of the combined GDP of the four ECS countries. The ECS prime ministers also endorsed a Thai-led tourism campaign titled "Four countries, one destination," agreeing to pursue a single visa valid for travel in any of the four countries. End comment.
Martinez